

# Halvorsen Guardian Sues to Oust Trust Administrator

By Charles Memminger  
Star-Bulletin Writer

The mother of the beneficiary of the multimillion-dollar Halvorsen Trust filed suit in federal court yesterday, seeking to have attorney Robert Jinks replaced as the trust's administrator and charging that he mismanaged the trust's funds.

Jinks denied the allegation and said the suit is rooted in an adverse relationship he has with Elizabeth L. Halvorsen since he represented her husband in acrimonious divorce proceedings in 1978.

Leland Don Halvorsen, a sportsman and retired oil man, was murdered in 1978 and the case is still unsolved. At the time of his death, Halvorsen was separated from Elizabeth and divorce proceedings were under way, Jinks said.

The trust, set up three years before the murder, listed Halvorsen's son, Kit Lee, as the beneficiary.

Elizabeth Halvorsen, who lives next-door to Ronald R. Rewald's Kuliouou house, had invested \$905,394 of her own money in Rewald's bankrupt company, Bishop, Baldwin, Rewald, Dillingham & Wong.

JINKS SAID he was not surprised that Halvorsen wants him replaced as trustee because of the poor relationship he had with her. Before Leland Halvorsen's death, Jinks said he was seeking a restraining order to keep her from coming into contact with Halvorsen because of the couple's stormy relationship.

"This was not a normal divorce," Jinks said.

Before the divorce was completed, Leland Halvorsen was shot to death. Although a 47-year-old man eventually was arrested and charged in the case, charges eventually were dropped.

Mrs. Halvorsen's attorney, Susan Tius, would not comment on what led to the suit being filed.

In her complaint, Mrs. Halvorsen charges Jinks with "various acts of mismanagement, self-dealing and breach of fiduciary duty," including making "imprudent and unreasonable investments into Bishop, Baldwin, Rewald, Dillingham & Wong." She said Jinks mismanaged the trust assets by co-leasing the Grosvenor Center office space occupied by Rewald's company, and that he failed to file tax returns.

JINKS DENIED all the allegations, and said he was not surprised it was filed.

"Anytime there has been this kind of publicity, I guess anything can happen," he said. "It goes back to Don's death. We (Mrs. Halvorsen and Jinks) did not have a good relationship because I was representing Don at the time of his death."

He said the trust has been managed "entirely in accordance to the principals that it was managed when Don Halvorsen was alive."

Jinks said he did invest trust money in tax shelters through Rewald's company, but said there was no money in the company at the time of the company's collapse. The Halvorsen trust is not like a normal principal trust, Jinks said. Instead, it is an "income trust" and its assets are tax-

able. As a result, he said, the trustee has to find tax-sheltered investments for the trust money.

Jinks denied that he has failed to file tax returns for the trust. "All of the taxes have been prepaid and there are carry-overs for subsequent years," Jinks said.

THE STAR-BULLETIN reported erroneously in a previous story that there was a \$4,086 state tax lien against the trust. Actually, the lien was against Elizabeth Halvorsen personally for 1981 income. The confusion stems from the complex trust arrangement in which Kit Halvorsen is the beneficiary but Elizabeth Halvorsen is his guardian.

"She is not involved in any way in the trust," Jinks said.

Even though, Jinks said, when he found out that Elizabeth Hal-

vorsen had lost her own money in Bishop, Baldwin, Rewald, Dillingham & Wong's collapse, he increased the amount of payments to Kit Halvorsen and personally gave Elizabeth Halvorsen money to live on.

Jinks also defended his use of the trust to co-lease office space at the Grosvenor Center as a sound investment.

CONCERN ABOUT the Halvorsen trust surfaced after Thomas Hayes was appointed trustee of Bishop, Baldwin, Rewald, Dillingham & Wong when it was forced into bankruptcy a month ago. After looking at the company records, Hayes discovered that most of the company's \$10 to \$12 million in assets were gone. Most apparently were spent on Rewald's exotic lifestyle.

Two large trust funds, the McCormick trust and the Mitchell trust, were found to have been drained of their assets. Because Elizabeth Halvorsen also was listed as an investor and the Halvorsen trust was listed in connection with the office lease, there was some confusion as to whether any Halvorsen trust assets were invested in Rewald's company. There also was concern because Jinks was a consultant to Rewald as well as the Halvorsen trustee.

Jinks, however, while acknowledging that he had used Rewald's company as a conduit to move some trust funds into tax shelters, has steadfastly denied that any trust funds were put into investment accounts.

Hayes has said he has not uncovered any evidence that any trust money was invested.

## In Hawaii...

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## Rewald Pre-Trial Publicity Alarms Public Defender

By Ellen Dyer  
Maui Correspondent

KAANAPALI, Maui — Honolulu Public Defender Barry Rubin said yesterday he is "seriously concerned" about pre-trial publicity surrounding the case of Honolulu businessman Ronald R. Rewald.

Rewald headed the company of Bishop, Baldwin, Rewald, Dillingham & Wong, which was forced into bankruptcy three weeks ago, with most of the estimated \$10 million to \$12 million dollars invested in the firm unaccounted for.

"I am seriously concerned about what I see," Rubin said. He also said that he could not "understand the \$10 million" bail set for Rewald, who has been indicted by the Oahu Grand Jury on two counts of theft.

Rubin's comments came during a meeting of the Hawaii State Law Enforcement Officials Association. The meeting continues through today at the Maui Marriott.

RUBIN SAID people have asked his opinion about the kind of sentence Rewald might receive. He said these individuals do not even know what Rewald has been charged with.

"I think there has been a complete saturation" in terms of publicity surrounding the case, Rubin said. He said the "very complex issue of pre-trial publicity" will have to be dealt with by lawyers for the prosecution and defense.

Rubin said that he did not know whether his office would be handling Rewald's defense. He said Rewald has not applied to the public defender's office for assistance.

But he noted that Honolulu attorney Brook Hart has indicated, in a motion to withdraw as Rewald's attorney, that Rewald is indigent and that a public defender should be appointed.

Rubin was among six panelists who gave their views on the topic "Law Enforcement and the Media."

EARLIER yesterday, Thomas

Cardoza, the regional commissioner of the Internal Revenue Service, said law enforcement and the media "have similar goals — integrity and honesty in our society and government. While the system is not perfect, it is and can be a workable tool" for a "better enforcement effort and a satisfaction of the public's right to know."

Cardoza said it is "essential" to government functions that the public be kept informed to enable people "to comply with law requirements, protect their lives and property, and influence political decisions. It is the media that provides the best conduit of this information to the public, and it is the media who can best expose government mismanagement or conduct detrimental to the public good."

He said this "creates a natural tension between the media and law enforcement" but he said that "is proper because it tends to keep both sides alert, responsive and honest in their roles and relationships."

## On-Ramp Girder Repair Bill Still Has State Up in the Air

The questions about who is responsible for cracks in the concrete girders of the H1 freeway on-ramp at Mapiolani Boulevard and who should pay the resulting \$4 million repair bill still have not been resolved, state officials said this week.

Cheryl Soont, deputy director of the Department of Transportation, said "we are still determining" the "responsibility" in the matter.

tional, an engineering company, to determine what caused the ramp's concrete girders to crack and flake in December 1981.

Kasler Corp. started building the project in August 1980, working with a primary design by VTN Pacific and a structural design by Engineering Design Group Inc. of Honolulu.

CONSTRUCTION of the on-ramp was halted in December 1981, when the concrete was still

the cables were tightened to give the ramp proper stress, the concrete crumbled.

The LHA study also found that Kasler Corp. accurately followed design specifications in work.

Edgar K.M. Lee, president of Engineering Design, has only maintained that there is nothing wrong with his company's structural design.

Lee said the cracks in the ramp were the

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